

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6731

BILL NUMBER: HB 1152

DATE PREPARED: Feb 9, 1999

BILL AMENDED: Feb 8, 1999

SUBJECT: Warranties on disability assistance devices.

FISCAL ANALYST: Susan Preble

PHONE NUMBER: 232-9867

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill requires the manufacturer of an assistive device used by an individual with a disability to provide an express warranty of: (1) 90 days for a device with a value of less than \$100 at the time of purchase; (2) 180 days for a device with a value of at least \$100 but less than \$500 at the time of purchase; and (3) one year for a device with a value of \$500 or more. It requires a manufacturer who sells a hearing aid to a consumer to furnish an express warranty and provides that the effective period of the express warranty does not begin until the consumer first takes possession. It requires the express warranty to require the manufacturer to provide a refund, a new assistive device or hearing aid, or repairs if the consumer reports a nonconformity and returns the assistive device or hearing aid. It prohibits the sale or lease of an assistive device or hearing aid returned for a nonconformity unless full disclosure of the nonconformity is made to the prospective buyer or lessee. It requires the manufacturer of a nonconforming assistive device or hearing aid to provide the consumer with a rental reimbursement of not more than \$20 per day if the repair takes more than ten days, or if the assistive device or hearing aid has been returned for the repair of the same nonconformity on at least two previous occasions. It also requires a dealer or lessor to pay a manufacturer for reimbursement expenses if failure of the dealer or lessor to tender the assistive device in a timely manner was the cause of the manufacturer's failure to repair the device or hearing aid within ten days.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) This bill allows consumers to bring a civil action to recover damages caused by a violation of the provisions referenced above. If the number of civil filings increase, the revenue from filing fees also increases. The civil action filing fee is \$100. If the action is filed in a trial court, 70% is deposited into the state General Fund. If the action is filed in a city or town court, the State General Fund receives 50%.

Explanation of Local Expenditures: (Revised) Additional civil action filings may increase the caseloads of some trial courts or city or town courts. The county general fund pays the trial courts' operating expenses. The general fund of the city or town in which the court is located pays the expenses of the city and town courts.

Explanation of Local Revenues: (Revised) If the action is filed in trial court, the county general fund receives 27% of the \$100 filing fee. The other 3% is deposited in the general fund of the cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county.

State Agencies Affected:

Local Agencies Affected: Trial courts; circuit court clerks

Information Sources: 1997 Indiana Judicial Report, Vol. I.